

SETTLEMENT AGREEMENT AND RELEASE IN FULL

This settlement agreement and release of all claims ("Agreement") is entered into by and between Janet Cowell, State Treasurer ("Treasurer"), the State of North Carolina, ex rel. Roy Cooper, Attorney General ("State" and collectively referred to as "Plaintiffs"), and Dein P. Spriggs, Bruce M. Cohen, Maria D. Cohen, Leo I. Liberto, and Equity Solutions of the Carolinas, Inc. (collectively referred to as the "Defendants"), and Plaintiffs and Defendants collectively referred to as the Parties.

WHEREAS, on August 13, 2010, the Plaintiffs filed a Complaint in a civil action against the Defendants in Wake County, Superior Court, captioned, *State of North Carolina ex rel. Roy Cooper, Attorney General, and Janet Cowell, State Treasurer, Plaintiffs v. Dein P. Spriggs, Bruce M. Cohen, Maria D. Cohen, a/k/a Mara Cohen, Leo I. Liberto, a/k/a Leo Liberto, and Equity Solutions of the Carolinas, Inc, Defendants*, 10 CVS 013806 (hereinafter "Civil Action"), alleging violations of NCGS § 116B-78 for failing to abide by property finder requirements, NCGS § 75D-4(a)(1) and (3) for racketeering, NCGS § 75-1.1 for unfair or deceptive trade practices, and unjust enrichment, due to the Defendants' alleged illegal actions in recovering, on the behalf of property owners, abandoned or unclaimed property held by various North Carolina Clerks of Superior Court and the North Carolina Department of State Treasurer;

WHEREAS, the Plaintiffs sought in the Civil Action for the Defendants to be disgorged of any sums it received from the property owners, for the assessment of civil penalties against the Defendants, for the Defendants to be permanently enjoined from engaging in the business of locating or recovering abandoned or unclaimed property on the behalf of property owners, as defined under NCGS § 116B-78(a1) and further clarified in Paragraph 3 below ("property finder business"), and for other appropriate relief;

WHEREAS, on October 18, 2010, Defendants filed a Motion to Dismiss, Motion for Rule 11 Sanctions, Counterclaims Against Plaintiffs, and Third Party Claims Against Janet Cowell, individually, which were subsequently denied and dismissed respectively, and an Answer to Complaint in the Civil Action, expressly denying the allegations asserted in the Complaint; and although the Defendants expressly deny the allegations asserted in the Complaint, in an effort to resolve this matter, Defendants have agreed to settle any and all controversies between them which have arisen or might arise as a result of the claims set out in the Civil Action for alleged violations of NCGS § 116B-78 for failing to abide by property finder requirements, NCGS § 75D-4(a)(1) and (3) for racketeering, NCGS § 75-1.1 for unfair or deceptive trade practices, and unjust enrichment, due to the Defendants' alleged illegal actions in recovering, on the behalf of property owners, abandoned or unclaimed property held by various North Carolina Clerks of Superior Court and the North Carolina Department of State Treasurer, including but not limited to any and all allegations contained in the Civil Action, or that could have been brought in that action relating to actions which pre-dated the filing of the Complaint in the Civil Action;

WHEREAS, Plaintiffs have moved to intervene in numerous special proceedings actions involving Equity Solutions of the Carolinas, Inc., which were not part of the Civil Action. These matters include, but are not limited to: *Equity Solutions of the Carolinas, Inc. v. Margaret A. Hogan, et al.*, Cumberland County Superior Court, 10-SP-602; *Equity Solutions of the Carolinas,*

Inc. v. Clifette Lee, et al., Cumberland County Superior Court, 10-SP-603; *Equity Solutions of the Carolinas, Inc. v. Wendell Charles Mather, et al.*, Onslow County Superior Court, 10-SP-82; *Equity Solutions of the Carolinas, Inc. v. Cecilia Ann Redman, et al.*, Beaufort County Superior Court, 10-SP-24; *Equity Solutions of the Carolinas, Inc. v. Salvatore John Massaro, et al.*, Haywood County Superior Court, 9-SP-245; *Equity Solutions of the Carolinas, Inc. v. Jerry Lee Raynor, et al.*, Lenoir County Superior Court, 9-SP-128, and any other matter not specifically included in the Civil Action where the Plaintiffs did move to intervene or could have moved to intervene as of the date of executing this Agreement. These matters shall collectively be referred to as "Ancillary Matters";

WHEREAS, this Civil Action has been ongoing for over four years, during which time the Parties agree that the Defendants have not been engaging in the property finder business and that some property owners' unclaimed property is still held by various North Carolina Clerks of Superior Court and/or the North Carolina Department of State Treasurer and has not been disbursed pending the outcome of this action;

WHEREAS, Plaintiffs recognize that the consideration referred to herein is intended to effectuate the compromise of disputed claims, and is not to be construed as an admission of liability on the part of any of the Defendants, each of whom expressly denies liability, and in an effort to resolve this matter and to bring monetary relief to property owners with whom the Defendants entered into contracts, the Parties wish to enter into this Agreement to fully resolve all aspects of this Civil Action on the terms and conditions set forth below;

NOW THEREFORE, in consideration of the mutual promises, monetary consideration and releases contained herein, and for other good and valuable consideration, the sufficiency of which is hereby acknowledged, the Parties agree as follows:

1. Release and Discharge. **Defendants' Release and Discharge** - In consideration for the payment of the Settlement Amount, defined in the Consideration and Payment Paragraph 2 below, the Defendants' agreement to never engage in the activity, as set out in the Injunctive Relief Paragraph 3 below, and other consideration expressed herein, the Plaintiffs release and forever discharge, to the fullest extent permitted by law, the Defendants and all of its past and present parents, subsidiaries, divisions, affiliates, predecessors, successors, assigns and transferees and each and all of their current and former officers, directors, shareholders, employees, agents, contractors, and attorneys (collectively, the "Defendants - Released Parties") of and from the following: all civil claims, *parens patriae* claims, causes of action, damages, restitution, fines, costs, attorneys' fees, remedies and/or penalties that the Plaintiffs have asserted or could have asserted against the Defendants - Released Parties under Chapters 75, 75D and 116B or any amendment thereto, or common law claims concerning unjust enrichment, unfair, deceptive, or fraudulent trade practices, arising out of Defendants' property finder business which pre-dated the filing of the Complaint in the Civil Action. This release encompasses all past, present or future claims or demands whatsoever, in law or equity, including but not limited to those which may be asserted by successors or assigns by reason of any matter. This is a full and final release of all claims of every nature and kind arising from the Civil Action, Ancillary Matters, or any other business dealings whatsoever by Defendants as of the date of executing this release, including any claims which may exist or which Plaintiffs, or anyone claiming by or through Plaintiffs, may contend exist, including but not limited to court costs, consultant and

expert witness fees, or attorneys' fees or costs in connection with the above-referenced claim, and Plaintiffs further acknowledge that they are releasing all claims that are known, unknown, suspected and unsuspected (collectively, the "Defendants' Released Claims"). Payment by Defendants of the monies described in Paragraph 2 below, and other consideration expressed herein, shall fully discharge and acquit all Defendants of any further payment of any kind arising out of their property finder business which pre-dated the filing of the Complaint in the Civil Action. Payment by the Defendants is made to resolve a disputed claim and is not to be deemed or considered an admission of liability or negligence.

Notwithstanding the above, the Plaintiffs expressly reserve the right to enforce this Agreement and to pursue new civil and enforcement actions if the Defendants breach the Injunctive Relief provision of this Agreement or violate any provision of Chapter 116B.

Plaintiffs' Release and Discharge - In consideration for the Plaintiffs filing a Dismissal with Prejudice in this Civil Action, as set out in the Additional Documents Paragraph 9 below, and other consideration expressed herein, the Defendants release and forever discharge, to the fullest extent permitted by law, the Plaintiffs, and specifically the Treasurer in either her official or individual capacity, and all of the State's past and present agents, divisions, and each and all of its current and former officers, employees, agents, contractors, and attorneys (collectively, the "Plaintiffs - Released Parties") of and from the following: all civil claim, *parens patriae* claims, causes of action, damages, restitution, fines, costs, attorneys' fees, remedies and/or penalties that the Defendants have asserted or could have asserted against the Plaintiffs - Released Parties under any statute or common law concerning interference with contract, abuse of process or otherwise regarding the Plaintiffs' authority to enforce the laws of North Carolina related to the Defendants' property finder business which pre-dated the filing of the Complaint in the Civil Action. This release encompasses all past, present or future claims or demands whatsoever, in law or equity, including but not limited to those which may be asserted by successors or assigns by reason of any matter. This is a full and final release of all claims of every nature and kind arising from the Counterclaims against the Plaintiffs and the Third Party Complaint against Janet Cowell Individually, or any enforcement actions whatsoever by Plaintiffs as of the date of executing this release, including any claims which may exist or which Defendants, or anyone claiming by or through Defendants, may contend exist, including but not limited to court costs, consultant and expert witness fees, or attorneys' fees or costs in connection with the above-referenced claim, and Defendants further acknowledge that they are releasing all claims that are known, unknown, suspected and unsuspected (collectively, the "Plaintiffs' Released Claims"). Filing of the Voluntary Dismissal with Prejudice described in Paragraph 9 below, and other consideration expressed herein, shall fully discharge and acquit all of the Plaintiffs' actions which pre-dated the filing of the Complaint in the Civil Action.

2. Consideration and Payment. In consideration for the release of the Plaintiffs' claims, within thirty (30) days of the execution of this Agreement, Defendants shall pay the State, via the Attorney General, the sum of sixty thousand dollars (\$60,000.00), for consumer restitution, for attorneys' fees and other costs of investigation or litigation, enforcement or other consumer protection purposes at the discretion of the Attorney General, in full and final settlement of all claims, known or unknown. Defendants shall be jointly and severally liable for payment of the sixty thousand dollars (\$60,000.00). Defendants shall pay the sixty thousand dollars (\$60,000.00) in one certified check payable to the "North Carolina Department of Justice" and

tender the check within thirty (30) days of the execution of this document and shall be forwarded to M. A. Kelly Chambers, Special Deputy Attorney General.

Failure by the Defendants to pay the funds as provided herein shall, at the election of the Plaintiffs, void this Agreement, or allow the North Carolina Department of Justice to pursue all available remedies in regard to the lien recorded in this action pursuant to Chapter 75D.

3. Injunctive Relief. The Defendants and their successors and assigns, directly, or indirectly through a third party, in their own name, or otherwise, hereby agree to never engage in property finder business in North Carolina. For purposes of this provision, property finder business is defined as locating, delivering, recovering, or assisting in the recovery of property of another, that is distributable to the owner or presumed abandoned, including, but not limited to surplus funds held by North Carolina Clerks of Superior Court or the North Carolina Department of State Treasurer; or, obtaining what is or what purports to be a conveyance, sale, or assignment, however denominated, of an owner's right to unclaimed or abandoned property.

For the purposes of this provision, property finder business in North Carolina does not include any efforts by Defendants to recover surplus funds arising from any real property owned by Defendants by way of deed or title to land, provided the Defendants' ownership in such real property was at no point obtained by means of an assignment or other documentation within the context of property finder business as defined in this Agreement.

4. Release of Lien. Within thirty (30) days of receipt of good funds by the North Carolina Department of Justice, the North Carolina Department of Justice shall release the lien recorded in this matter pursuant to Chapter 75D. The address of said lien is 304 Morganford Place, Cary, North Carolina 27518.

5. Ancillary Matters. Within thirty (30) days of the execution of this Agreement, the Defendants agree to withdraw the Petitions, or take whatever action is necessary, to terminate the Ancillary Matters referenced above and any other such matters not identified in this Agreement, and to provide a filed, stamped copy of such documentation to M. A. Kelly Chambers, Special Deputy Attorney General.

6. No Admission of Liability. Nothing in this Agreement is to be construed as an admission of liability on the part of the Defendants, who expressly deny liability. Nothing in this release shall be interpreted as an admission of any criminal conduct by Defendants and Defendants expressly deny engaging in any criminal conduct whatsoever.

7. Jurisdiction of the Court. For the sole purpose of the enforcement of this Agreement, the Parties agree that the Judge in this action, or his successor, shall retain jurisdiction over this matter to allow the Parties to file an action to enforce the terms of this Agreement.

8. Attorneys' Fees. Each party hereto shall bear all attorneys' fees and costs arising from the actions of its own counsel in connection with the prosecution and defense of this action, this Agreement, the matters and documents referred to herein, and all related matters.

9. Additional Documents. All Parties agree to cooperate fully, and to execute any and all supplementary documents and to take all additional actions which may be necessary or appropriate to give full force and effect to the basic terms and intent of this Agreement. Upon receipt of the funds described in Paragraph 2 of this Agreement, the Plaintiffs agree to file a Notice of Voluntary Dismissal with Prejudice of the Civil Action within thirty (30) days of receipt of payment.

10. Warranty of Capacity to Execute Agreement. The individual(s) signing this Agreement on behalf of Equity Solutions of the Carolinas, Inc., represent and warrant that they are authorized by Equity Solutions of the Carolinas, Inc. to execute this Agreement. The undersigned Treasurer and State signatories represent that they are signing this Agreement in their official capacities and that they are authorized to execute this Agreement on behalf of the Treasurer and the State through their respective agencies and departments. No oral representations, warranties or inducements have been made to any Party concerning this Agreement other than the representations, warranties and covenants contained and memorialized herein. In addition, the Parties represent and warrant that they are not relying on any representations or warranties not contained in this Agreement.

11. Governing Law. This Agreement shall be interpreted under the laws of the State of North Carolina.

12. Invalidity. The Parties agree that should any nonmaterial portion or portions of this Agreement be found to be void, unenforceable or otherwise invalid by any court of competent jurisdiction, after the exhaustion of all rights to appeal, this entire Agreement shall not be nullified and such invalid portion or portions shall be severed from this Agreement, and the remainder of the Agreement shall be enforced.

13. Counterparts. This Agreement may be executed in counterparts, each of which constitutes an original, and all of which constitute one and the same Agreement. The Parties agree that a facsimile or pdf signature shall be deemed to be, and shall have the same force and effect as, an original signature.

14. Entire Agreement. This document contains the entire agreement between the Parties with regard to the matters set forth herein, and shall be binding upon and inure to the benefit of all the successors, transferees, heirs, and assigns of the Parties.

AGREED:

[SIGNATURE PAGES TO FOLLOW]

JANET COWELL, STATE TREASURER

By: Janet Cowell
Janet Cowell, State Treasurer of North Carolina

State of North Carolina

County of WAKE

I, MELISSA S. RIVENBARK, a Notary Public in and for the aforesaid State, do hereby certify that Janet Cowell personally appeared before me this day and acknowledged the due execution of the foregoing "Settlement Agreement and Release in Full."

Witness my hand and notarial seal this the 23rd day of DECEMBER, 2014.

Melissa S. Rivenbark

Notary Public

My commission expires June 22, 2016

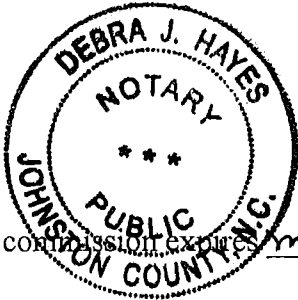
STATE OF NORTH CAROLINA ex rel. ROY COOPER, ATTORNEY GENERAL

By: M. A. Kelly Chambers
M. A. Kelly Chambers
Special Deputy Attorney General

State of North Carolina
County of Johnston

I, Debra J. Hayes, a Notary Public in and for the aforesaid State, do hereby certify that M. A. Kelly Chambers personally appeared before me this day and acknowledged the due execution of the foregoing "Settlement Agreement and Release in Full."

Witness my hand and notarial seal this the 23rd day of December 2014.



Debra J. Hayes
Notary Public

My commission expires march 21, 2015

EQUITY SOLUTIONS OF THE CAROLINAS, INC.

By: 

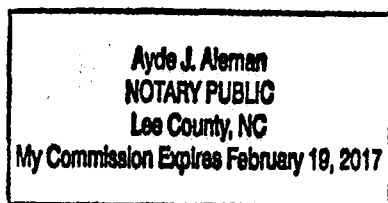
Bruce M. Cohen as Vice President of Equity Solutions
of the Carolinas, Inc.

State of North Carolina

County of Wake

I, Ayde J. Aleman, a Notary Public in and for the aforesaid State, do
hereby certify that Bruce M. Cohen personally appeared before me this day and acknowledged
the due execution of the foregoing "Settlement Agreement and Release in Full."

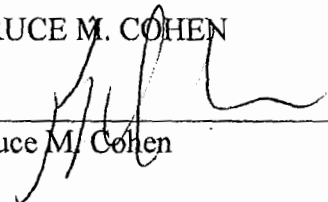
Witness my hand and notarial seal this the 29 day of Dec, 2014.




Notary Public

My commission expires Feb 19, 2017

BRUCE M. COHEN




Bruce M. Cohen

State of North Carolina

County of Wake

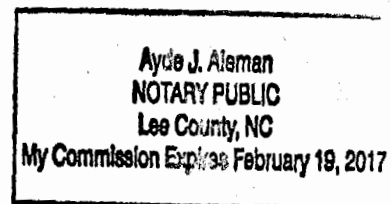
I, Ayde J. Aleman, a Notary Public in and for the aforesaid State, do hereby certify that Bruce M. Cohen personally appeared before me this day and acknowledged the due execution of the foregoing "Settlement Agreement and Release in Full."

Witness my hand and notarial seal this the 29 day of Dec, 2014.



Notary Public

My commission expires Feb 19, 2017



MARIA D. COHEN



Maria D. Cohen

State of North Carolina
County of Wake

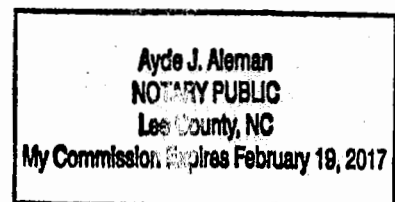
I, Ayde J. Aleman, a Notary Public in and for the aforesaid State, do hereby certify that Maria D. Cohen personally appeared before me this day and acknowledged the due execution of the foregoing "Settlement Agreement and Release in Full."

Witness my hand and notarial seal this the 29 day of Dec, 2014.



Notary Public

My commission expires Feb 19, 2017



DEIN P. SPRIGGS

Dein P. Spriggs

State of Florida

County of Alm Brach

I, Lorraine A. Hinkle, a Notary Public in and for the aforesaid State, do hereby certify that Dien P. Spriggs personally appeared before me this day and acknowledged the due execution of the foregoing "Settlement Agreement and Release in Full."

Witness my hand and notarial seal this the 23rd day of Dec, 2014.


Lorraine A. Hinkle
Notary Public



LORRAINE A. HINKLE
MY COMMISSION # EE 198502
EXPIRES: June 20, 2016
Bonded Thru Budget Notary Services

My commission expires

LEO LIBERTO III



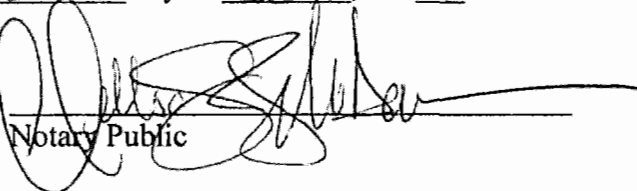
Leo Liberto III

State of Florida

County of Palm Beach

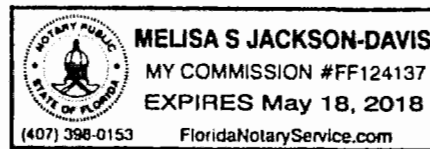
I, Melisa S. Jackson-Davis, a Notary Public in and for the aforesaid State, do hereby certify that Leo Liberto III personally appeared before me this day and acknowledged the due execution of the foregoing "Settlement Agreement and Release in Full."

Witness my hand and notarial seal this the 29th day of Dec., 2014.



Notary Public

My commission expires _____



4833-9170-0512, v. I